

Department of Public Health
and Human Services

Section:
INCOME

TANF CASH ASSISTANCE

Subject:
Earned Income

Supersedes: TANF 502-1, (07/01/05)

Reference: ARM 37.78.102, .402, .415 and .416

GENERAL RULE—All earned income received by the filing unit is considered when determining eligibility for all public assistance programs. All earned income, whether countable or excluded according to policy, is entered and coded appropriately on the TEAMS EAIN and/or SEEI screens.

≥ACCELERATED EMPLOYMENT SERVICES

Wages received from the employer during the training period are countable for TANF. Allow the appropriate earned income disregards. If a bonus is received, it is considered a non-recurring lump sum and is excluded.

NOTE: The participant is eligible for TANF supportive services during this training program until the earnings result in closure of the TANF case. AES supportive services will be available following the TANF closure.

ADVANCES ON WAGES

Advanced wages are countable in the month received when the advance is anticipated; code 'OT' or 'WA'.

NOTE: The amount withheld out of subsequent paychecks to repay the advance is excluded income, even if the advance was not counted when it was received.

AMERICORPS

Payments are excluded when the payments are from AmeriCorps *VISTA; code 'OX'. See 'VISTA' in this section.

ATTENDANT CARE PAYMENT

Attendant care payments paid by an outside source to the attendant care provider for a disabled/elderly household filing unit member are earned income. Attendant care payments paid from the outside source to the disabled/elderly household member receiving the care is an excluded reimbursement and countable earned income to the attendant care provider; code 'WA'. The payment is not counted twice.

BONUS PAY

Bonus pay (e.g., received every Christmas, quarterly, annually, etc.) is countable earned income. When prospecting bonus pay, the Eligibility Case Manager considers how often the bonus is received and whether the household member is still employed. Set an alert to change this income for the appropriate time frame.

Section: INCOME

Subject: Earned Income

COMMISSION

Commission is considered countable earned income in the month it is received, if it can be prospected.

**CONTRACTUAL
INCOME**

Income received from an employment contract is averaged over the period of the contract.

EXAMPLE: A teacher's 12-month contract is paid in nine monthly payments; the income is averaged over 12 months. The income is averaged over 9 months if the contract is for 9 months, even if the income represents the household's only annual income.

**DISPLACED
HOMEMAKER**

Montana currently manages TWO displaced homemaker programs.

1. The State Displaced Homemaker program that is funded entirely through state general fund. This program is administered by the Statewide Workforce Programs Bureau, in the Department of Labor and Industry. The income received from this program is considered countable earned income coded 'WA'.
2. The WIA Displaced Homemaker program may be funded either through the WIA Title IB Adult program or WIA Title IB Dislocated Worker program depending on the definition and criteria the individual meets. See WIA for the treatment of earnings from this program.

An individual may be concurrently or dually enrolled in the State funded Displaced Homemaker AND in the WIA Title IB Adult program as well, but the funding stream is kept separate to track what is spent in the State program and what is spent through WIA.

**DOMESTIC
VOLUNTEER
SERVICE
ACT**

The following payments to volunteers are excluded; code 'OX'.



1. Title II Retired Senior Volunteer Program (RSVP) and Foster Grandparents.
2. Foster Grandparent Program payments for reimbursement or advance of travel expenses or for supportive services.
2. Title III Service Corps of Retired Executives (SCORE), Senior Companion Program and Active Corps of Executives (ACE).

**EARNED INCOME
of CHILDREN**

Code 'OX' if excluded for all programs;
Code 'DC' if only counted for SSI-MA;
Code 'CH' if countable for all programs.

Section: INCOME

Subject: Earned Income

Earned income of a dependent child (18 or younger) attending elementary or high school is excluded; earnings are countable when the dependent child is not attending school.

NOTE: Any attendance at elementary or high school (including home schooling) qualifies a child as a student and wages are excluded earned income.

EARNED INCOME TAX CREDIT

Earned income tax credit payments received as advance payments or as a refund are excluded earned income; code 'EI'.

GARNISHMENTS DEDUCTED from WAGES

Garnishments deducted from wages for a debt except for previous advance on wages are countable earned income; code 'WA'. See a "Advances on Wages" in this section.

NOTE: The amount of garnishment is an allowable expense if the garnishment is due to a legally obligated child support debt. See TANF 602-1.

GOVERNMENT TRAINING ALLOWANCES

Find the specific funding source of the government training allowance to determine whether the income is earned or unearned and countable or excluded.

Reimbursements are excluded income; code 'TR' if excluded for all programs.

IN-KIND INCOME

See 'Bartering' in Section 503-1 for policy regarding in-kind services exchanged between two or more self-employment businesses.

The countable value of earned in-kind income is the current value of services provided in the form of food or shelter; code 'IK'.

NOTE: The TANF cash assistance Net Monthly Income (NMI) standard for a household of **one** is used as the value for the entire household when the value of the shelter provided cannot be determined by any other means. Also, the Food Stamp Thrifty Food Plan is used according to the household size to determine the value if the value of the food provided cannot be determined by any other means.

Unearned in-kind is excluded. However, any unearned in-kind must be evaluated to determine if it should be considered a countable contribution (see TANF 501-1).

Section: INCOME

Subject: Earned Income

IRREGULAR INCOME

Any amount of income that is reasonably anticipated to be received is counted; code 'OA'.

JURY DUTY

The Eligibility Case Manager evaluates how individuals on jury duty are compensated to determine whether the jury duty payment is countable or excluded earned income.

EXAMPLE of COUNTABLE: When the jury duty is paid over a time period of several days or weeks at a specific amount (e.g., \$15 per day) and can be anticipated, the payment is countable earned income; code 'OT'.

EXAMPLES of EXCLUDED:

1. The individual verifies the payment was given to their employer.
2. The jury pay meets the definition of a reimbursement in section 501-1.

Jury duty payments that are excluded earned income for all programs are coded 'OX'.

LUMP SUM PAYMENTS

Nonrecurring lump payments are excluded as income.

NOTE: See section 402-1 for resource considerations.

Examples of lump sum payments are:

- Severance pay or sick leave. See sections 501-1 and 502-1.
- Rebates or credit refunds.
- Crop insurance proceeds. See section 503-1.

MILITARY BASIC ALLOWANCE for HOUSING (BAH)

The Basic Allowance for Housing (BAH) is one monthly payment, replacing the Variable Housing Allowance, (VHA) and Basic Allowance for Quarters (BAQ). Also, refer to sections 'Military Allowances' and 'Veterans Administration' in Section 501-1.

BAH (BAQ or VHA) is considered countable **unearned** income; 'MI' on TEAMS UNIN. When FS are also open, codes 'OM' and 'OA' are used on UNIN to exclude the income for FS.

MILITARY PAY

Military pay is countable income if earned; code 'WA'. See section 501-1 for 'Veterans Administration' and 'Military Allowances.'

Section: INCOME

Subject: Earned Income

OLDER AMERICANS ACT

Projects funded under Title V of the Older Americans Act of 1987 include:

1. Experience Works AKA Green Thumb;
2. Forest Service;
3. American Association of Retired People (AARP);
4. National Council on Aging;
5. National Council of Senior Citizens.

Payments from these projects are countable earned income; code 'OA'.

PLAN for ACHIEVING SELF-SUPPORT (PASS)

Any money diverted from an individual's income to a PASS account is excluded during the period covered by the PASS contract; code 'OX'.

ROYALTY INCOME

Definition of Royalties: Royalties include compensation paid to the owner for the use of property. This is usually copyrighted material such as books, music, etc. or natural resources such as mineral, oil, gravel or timber, etc.

The only earned royalties are those derived from a self-employment business enterprise. See sections 503-1 and 501-1 for self-employment and unearned royalties.

SALE OF BLOOD

Gross income from the sale of blood or blood plasma is countable earned income for all programs; code 'OT'.

SEVERANCE PAY

Severance pay is countable earned income in the month received; code 'OA'.

NOTE: When severance pay is received in a lump sum, it is excluded; code 'LS'.

SICK LEAVE/ VACATION PAY

Sick leave or vacation pay received while still employed is countable earned income; code 'WA'. Vacation pay received after employment termination is treated as severance pay.

Sick leave pay received after employment termination is countable earned income in the month received; code 'OA'.

NOTE: When sick leave is received in a lump sum, it is excluded; code 'LS'.

TIPS

Tips are countable; code 'TI'. Acceptable verification of tips may include the following: participant's daily log, pay stubs, or an employer statement.

Section: INCOME

Subject: Earned Income

Verification varies depending on how the tips are reported, shown on wage stubs, and are paid.

VENDOR PAYMENTS

Earned vendor payments are countable or excluded depending on the circumstances. Also, see section 501-1 'Vendor Payments' to evaluate whether the payments are countable or excluded.

COUNTABLE: Money legally obligated or otherwise payable to the household as earnings but is diverted to a third party for a household expense, is considered countable earned income; code 'OT'.

EXAMPLE: A household member works and is entitled to earnings of \$500. The employer garnishes or diverts \$200 of the earnings to the employee's landlord for rent and pays the employee the remaining \$300. The \$300 paid to the household and the \$200 payments to the landlord are countable earned income. The entire \$500 is coded 'WA'.

VISTA and/or "AMERICORPS *VISTA"

VISTA (Volunteers in Service to America under Title I of the Domestic Volunteer Services Act of 1973) is excluded earned income.

WAGES from EMPLOYMENT

Gross wages are defined as wages before taxes, insurance, etc., are deducted. Gross income includes salary and commission earnings and is countable earned income; code 'WA'.

NOTE: Earned Income of an SSI **1619B** eligible individual is **excluded** in determining the TANF grant. See 501-1, pg. 2, 'assistance programs' for additional clarification.

WORK STUDY

All educational income, including work study, is excluded. Code 'WS' if excluded for all programs.

WORKFORCE INVESTMENT ACT (WIA)

The Workforce Investment Act (WIA) replaced Job Training Partnership Act (JTPA). The TEAMS WIA codes are:

WIA - Work Experience; code 'WX' excluded for all programs.

WIA - OJT; code 'JE' if excluded for all programs.

WIA - OJT; code 'JA' if countable for FS and excluded for all other programs.

Work Experience (WEX) wages paid to the participant by the sponsoring WIA agency are excluded earned income; code 'WX'.

Section: INCOME

Subject: Earned Income

WIA On-the-Job-Training (OJT) wages paid to the participant by the employer are excluded earned income; code 'JE' if excluded for FS and 'JA' if countable for FS.

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